

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6678

BILL NUMBER: HB 1458

NOTE PREPARED: Jan 2, 2003

BILL AMENDED:

SUBJECT: Medicaid Prescription Drug Waiver.

FIRST AUTHOR: Rep. Brown C

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the Office of Medicaid Policy and Planning to limit access to prescription drugs for prescription drug program recipients to prevent fraud, abuse, waste, overutilization, and inappropriate utilization.

Effective Date: Upon passage.

Explanation of State Expenditures: This bill will allow the Office of Medicaid Policy and Planning to maintain administrative operating efficiencies by allowing program controls similar to those used in the Medicaid Program for the Hoosier Rx prescription drug program under the Pharmacy Plus Medicaid 1115 Demonstration Waiver application. The bill will allow the waiver program to limit access to drugs in order to control costs due to inappropriate use of prescription drugs. The bill will not limit access to drugs that are medically necessary according to the participants's physician. This bill will eliminate the necessity to operate a separate pharmacy benefit management program for the Hoosier Rx Program and will allow waiver participants to take advantage of the cost containment programs implemented by the Office of Medicaid Policy and Planning. Hoosier Rx participants receive a 50% reduction in the amount owed for a prescription at the point of sale. The participants recognize savings as a result of being charged the Medicaid cost of the prescription; any additional savings achieved by the application of cost saving measures such as the Medicaid Preferred Drug List are savings recognized immediately by the individual as well as the Hoosier Rx waiver program.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Office of Medicaid Policy and Planning.

Local Agencies Affected:

Information Sources: Amy Kruzan, Legislative Liaison for the Family and Social Services Administration, (317)-232-1149. Indiana Hoosier Rx Medicaid, Section 1115 Demonstration Waiver Application at: <http://cms.hhs.gov/medicaid/1115/in1115ihrx.asp>

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